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| **Marketing 1**  **Chapter 8: Marketing Research Techniques**  **Paul Tilley** | |
|  | **Learning Objectives:** |
|  | *Upon completion of this unit the learner should be able to:*   1. Define Marketing Research 2. Appreciate why Marketing Research is conducted 3. Discuss the types of Marketing Research 4. Describe, discuss and complete the Marketing Research Process 5. Discuss the various options for formal research design 6. Describe and evaluate data collection techniques 7. Describe the ethical issues surrounding the conduct of marketing research. |
|  | **Overview of this Unit** |
|  | Marketing research is seen as the link between marketing strategy and decisions.  The unit will look at the marketing research process and how to use the information. |

MR1100 Marketing I - PT (CL) - Unit 8.  Marketing Research Techniques -    Learning Activities

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| **Learning Activities** | |
| This unit will require you to complete the following: | |
|  | Readings from Text - Chapter 8 - Turning Marketing Information into Action |
|  | Online Readings - Unit 8: Marketing Research Techniques |
|  | Extra Study Questions |
|  | Online Self-Test |
| *Please print this page to use as a guide as you work your way through this unit.* | |

MR1100 Marketing I - PT (CL) - Unit 8.  Marketing Research Techniques -    Marketing

MR1100 Marketing I - PT (CL) - Unit 8.  Marketing Research Techniques -    Marketing Research Defined

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| **Marketing Research Defined** |
| ***Marketing Research*** is the process of:   * Defining a marketing problem or opportunity, * Systematically collecting, * And analyzing the data, * Recommending actions based on the research * with the intent to make the organization better off. |

MR1100 Marketing I - PT (CL) - Unit 8.  Marketing Research Techniques -    Why Conduct Marketing Research?

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| **Why Conduct Marketing Research?** |
| ***Marketing Research*** is conducted mainly to reduce *risk* and reduce *uncertainty*.  ***Marketing Research is Most Valuable When:***   * There is a great deal of uncertainty * There are several consequences to a given set of actions * There are several apparently equally viable alternatives to a problem.   ***Types of Marketing Research***   |  |  | | --- | --- | | ***Exploratory Research*** | This preliminary research is conducted to help identify and clarify the scope and nature of the marketing problem. | | ***Descriptive Research*** | This research is used to define and profile the basic characteristics of a given population or of a particular marketing situation. | | ***Casual Research*** | This research helps to define the cause-and-effect relationship such as how a price change will affect market share. | |

MR1100 Marketing I - PT (CL) - Unit 8.  Marketing Research Techniques -    Reliable Marketing Research

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| **Reliable Marketing Research** |
| ***Good Reliable Marketing Research is Difficult:***   * Respondents to questions on a product or idea they many not be familiar with, may not have given it any though and as a result give an uneducated response that is misleading to researchers. * Respondents may not give answers to certain questions, preferring to keep their opinions to themselves * Respondents may say they would like to buy a product, service or idea, however, when the time comes to buy, they may choose not to.   ***Key Research Terminology***  Research must be:   |  |  | | --- | --- | | ***Reliable*** | Research results should reflect the true nature of what is being measured.  You should be able to repeat a reliable experimental method and get similar results each time. | | ***Valid*** | The research measures what it is designed to measure. | |

MR1100 Marketing I - PT (CL) - Unit 8.  Marketing Research Techniques -    Marketing Research Pro

cess - Step 1

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| **Marketing Research Process - Step 1** |
| The Marketing Research Process is 4 steps:   * Problem Definition * Formal Research Design * Data Collection & Analysis * Conclusions and Report  |  |  | | --- | --- | |  | ***Define the Problem or Marketing Opportunity***   * Separate symptoms from problems * Problems spur questions   ***Do Initial Research***   * *Informal Research* - this is the exploratory research stage where you casually and informally seek out information on answering the problem.  This information may come from internal sources or external sources * *Secondary Data* - Secondary data is existing data the others collected or you yourself collected for other purposes.  Again it may come from internal or external sources. * *Primary Data* - data that is collected   + *Focus Groups* - informal interview sessions with 6-10 people   + *In-depth Interviews* - detailed interviews with people relevant to the research process   ***Advantages of Secondary Data:***   * Time savings * Cost savings   ***Disadvantages of Secondary Data:***   * May be out of date * the data is likely not specific to your needs | |

MR1100 Marketing I - PT (CL) - Unit 8.  Marketing Research Techniques -    Marketing Research Process - Step 2

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| **Marketing Research Process - Step 2** |
| |  |  | | --- | --- | |  | ***Formal Research Design***   * Once you have defined the problem and completed you initial research, you move to collect specific data on the problem at hand. This is *Primary Research* Gathering   ***Ways to Collect Primary Data***   * *Sampling* - note the different types of sampling * *Qualitative Research* - interviews, focus groups * *Quantitative Research* - observation, surveys and experiments   ***Surveys***   * Note the various advantages and disadvantages of telephone, personal and mail surveys * Note problem questions. * Note the different question types:   + *Open-ended* - fill ins   + *Closed ended* - dichotomous, semantic differential, likert scale   ***Experiments***   * *Hypothesis* - a statement to be proven true or false.  e.g. More ice cream is sold when it is hot * *Independent variable* - the one you manipulate - the *Cause Variable* - e.g. the temperature * *Dependent variable* - the variable that depends on the independent. e.g. how many ice creams are sold   **Observation**   * this involves watching how people behave.  It can be done personally or mechanically (i.e.: TV meters) * *Ethnographic research* - trained observers look for subtle emotional responses as people use products in their "natural" environments   ***Advantage of Primary Data***   * It is timely and specific to the problem   ***Disadvantage of Primary Data***   * Costly and time consuming | |

MR1100 Marketing I - PT (CL) - Unit 8.  Marketing Research Techniques -    Marketing Research Process - Step 3

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| **Marketing Research Process - Steps 3 and 4** |
| |  |  | | --- | --- | |  | ***Data Collection - Analysis and Interpretation***   * Once the data is gathered, it must be analyzed in order to yield useful information that can be acted on.   ***Cross-tabulation*** - a method of comparing 2 or more survey questions to yield new information | |  | ***Recommendations and Implementation***   * Management must be committed to act on the results of the research * Implemented actions must be monitored * Ongoing research is necessary to reflect changes in market place   ***Do Not Do Research if:***   * costs outweigh the potential benefits | |

MR1100 Marketing I - PT (CL) - Unit 8.  Marketing Research Techniques -    Information Technology & Marketing

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| **Information Technology & Marketing** |
| Information Technology today can provide marketers with data for just about any aspect of markets, products and competitors. Marketing organizations design and develop computer systems that will provide a way to organize, store and retrieve data when necessary.  There are many factors that "drive" the sales of a product.  Some of these are controllable like product and distribution and others are uncontrollable like competition and the changing tastes of consumers.  ***Key Elements in a Marketing Information System***  **Internal Sources**   * customer orders * customer characteristics * inventory * sales calls * promotions * Intranet   **External Sources**   * global sources * trade associations * Canadian census * Internet * services   **Database**   * contains all of the above information * Queries to database will reveal data   ***Data Mining*** is finding and pulling out relevant data from the database.  ***Sales Drivers***   * Factors that influence buying decisions. * Can be marketing mix factors, such as product and distribution * Can be uncontrollable factors, such as competition and the changing tastes * Understanding drivers involves managing an ocean of data. * The marketer’s task is to convert this data into useful information on which to base informed decisions. * In practice, some market researchers distinguish   + “data”-the facts and figures-   + “information”-the distilled facts and figures whose interpretation leads to actions |
| **Unit 8 Ch 8 Study Questions** |
| **MARKETING CONCEPTS AND PERSPECTIVES**   1. Is it possible to make effective marketing decisions without marketing research?  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit8/unit8_answers/unit8_ch8q1_answer.html) 2. Why is the problem definition stage of the marketing research process probably the most important stage?  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit8/unit8_answers/unit8_ch8q2_answer.html) 3. You  plan to open an ice cream shop in your town. What type of exploratory research would you conduct to help determine its feasibility? You find the exploratory research doesn’t answer all your questions.  You decide to do a survey to determine whether or not you should open the shop. What kind of questions will you ask? Who do you ask?  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit8/unit8_answers/unit8_ch8q3_answer.html) 4. Suppose you are trying to determine the top three favourite department stores in your area. You show  customers a shopping mall a list of department stores and ask them to rank their three favourite stores  from 1-3 (with 1 being  the favourite). What problems can go wrong with the survey?  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit8/unit8_answers/unit8_ch8q4_answer.html) 5. Your university bookstore wants to find out how students feel about the store’s merchandise, prices,  and customer service. What type of marketing research would you recommend to the store?  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit8/unit8_answers/unit8_ch8q5_answer.html) 6. Before the people meter, Nielson obtained TV rating data using “audimeters” attached to TV sets. These devices measured (1) if the TV set was turned on and (2) if so, to which channel. What are the limitations of this mechanical observation method?  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit8/unit8_answers/unit8_ch8q6_answer.html) 7. You are a marketing researcher observing what people do when selecting bread in a supermarket. You are behind a one-way mirror and none of the customers know they are being observed. During the course of the day, you observe several people shoplifting a smaller snack product near the bread section. You know personally two of the shoplifters you see. What are the ethical problems you face in this situation.  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit8/unit8_answers/unit8_ch8q7_answer.html) 8. You plan to open a new rent-a-car business. You have drafted a survey you want to distribute to airline passengers. The survey will be left at the airports and respondents will  mail the surveys back in a prepaid envelope. Some of the questions you plan to use are shown below. (a) identify the problem with each question and (b) correct it. Note: Some questions may have more than one problem.   *a.  Do you own your own car or usually rent one?*  *\_\_\_\_\_\_ Yes          \_\_\_\_\_    No*  *b. What is your age?   \_\_\_\_\_\_ 21-30  \_\_\_\_\_\_ 30-40 \_\_\_\_\_\_41-50 \_\_\_\_\_50+*  *c. How much did you spend on rental cars last year?*  *\_\_\_\_\_ $100 or less              \_\_\_\_\_\_\_$101-400                \_\_\_\_\_\_$401-800*  *\_\_\_\_\_$800-1000                   \_\_\_\_\_\_\_$1000 or more*  *d. What is a good daily rental car rate?                \_\_\_\_\_\_\_\_\_\_\_*  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit8/unit8_answers/unit8_ch8q8_answer.html)   1. Suppose you are to make a sales forecast using a top-down approach to estimate the percentage of a manufacturer's total Canadian sales going to each of 10 provinces.  You plan to use only a single factor--percentage of the Canadian population, percentage of personal income, or percentage of retail sales.  Which of the three factors would you use if your sales forecast were for each of the following manufacturers, and why?  (a) Sifto Salt, (b) Christian Dior dresses, and (c) Columbia records.  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit8/unit8_answers/unit8_ch8q9_answer.html) 2. Which of the following variables would linear trend extrapolation be more accurate for? (a) Annual population of Canada or (b) annual sales of cars produced in Canada by General Motors.  Why?  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit8/unit8_answers/unit8_ch8q10_answer.html) |